

**PUBLIC DISCLOSURE**

**MAY 21, 2012**

**COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**STOUGHTON CO-OPERATIVE BANK**

**Certificate # 26513**

**950 PARK STREET  
STOUGHTON, MA 02072**

**Massachusetts Division of Banks  
1000 Washington Street, 10<sup>th</sup> Floor  
Boston, MA 02118**

**Federal Deposit Insurance Corporation  
350 Fifth Avenue, Suite 1200  
New York, New York 10118**

<p><b>NOTE:</b> This document is an evaluation of the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operations of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Federal Deposit Insurance Corporation or the Division of Banks concerning the safety and soundness of this financial institution.</p>
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## GENERAL INFORMATION

The Community Reinvestment Act ("CRA") requires the Massachusetts Division of Banks ("Division") and the Federal Deposit Insurance Corporation ("FDIC") to use their authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agencies must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area.

This document is an evaluation of the CRA performance of **Stoughton Co-operative Bank (or the "Bank")**, prepared by the Division and the FDIC, the institution's supervisory agencies as of May 21, 2012. The agencies evaluate performance in the assessment area(s), as they are defined by the institution, rather than individual branches. This assessment area evaluation may include visits to some, but not necessarily all of the institution's branches. The Division rates the CRA performance of an institution consistent with the provisions set forth in Massachusetts Regulation 209 CMR 46.00. The FDIC rates the CRA performance institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345 of the FDIC's Rules and Regulations.

### **INSTITUTION'S CRA RATING: This institution is rated "Satisfactory."**

A CRA rating of "Satisfactory" is assigned. An institution in this group has a reasonable record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods and individuals, in a manner consistent with its resources and capabilities. The rating is supported by the following conclusions:

- The Bank's average net loan-to-deposit (LTD) ratio (92.7 percent) is more than reasonable, given the institution's size, financial condition, and assessment area credit needs.
- A majority of the Bank's home mortgage lending is inside the Bank's assessment area.
- The distribution of borrowers reflects, given the demographics of the assessment area, a reasonable penetration among individuals of different income levels (including low- and moderate-income).
- The geographic distribution of home mortgage loans was not evaluated as the Bank's assessment area does not contain any low- or moderate-income census tracts.
- The Bank has not received any CRA-related complaints since the last CRA evaluation.

## **SCOPE OF THE EXAMINATION**

This evaluation was conducted jointly by the Division and the FDIC. Small bank CRA evaluation procedures were used to assess the Bank's CRA performance, as established by the Federal Financial Institutions Examination Council ("FFIEC"). Small bank procedures are used on institutions with total assets less than \$290 million as of December 31 for each of the prior two calendar years. These procedures evaluated the Bank's CRA performance pursuant to the following criteria: LTD ratio, assessment area concentration, the borrower's profile, the geographic distribution of loans, and response to CRA complaints.

A review of the Bank's loan portfolio illustrated that its primary lending focus is home mortgage lending. Small business, small farm, and consumer loans were not considered in the evaluation as they represent a very small portion of the Bank's loan portfolio and would not provide any meaningful conclusions. The CRA evaluation considered home mortgage activity from January 1, 2010, through December 31, 2011.

Information concerning home mortgage lending was derived from the Loan Application Registers ("LARs") maintained by the Bank, pursuant to the Home Mortgage Disclosure Act ("HMDA"). The LARs contain data about home purchase and home improvement loans, including refinancing, of one- to four-family and multifamily (five or more units) properties. The primary focus and information presented in the tables is the Bank's HMDA lending performance in 2010, as this is the most recent year for which aggregate HMDA lending data is available. The aggregate lending data is used for comparison purposes within the evaluation and is a measure of loan demand. It includes lending information from all HMDA reporting lenders that extended loans in the Bank's assessment area. Residential lending for 2011 was also analyzed to identify any significant trends or anomalies. In 2010, Stoughton Co-operative Bank originated 28 HMDA loans for approximately \$5.7 million. In 2011, the Bank originated 46 HMDA loans for approximately \$8.1 million.

Demographic information is from the 2000 U.S. Census unless otherwise noted. Financial data was derived from the March 31, 2012 Report of Condition and Income (Call Reports).

## **PERFORMANCE CONTEXT**

### **Description of Institution**

Stoughton Co-operative Bank is a state-chartered bank, established in 1876 and headquartered in Stoughton, Massachusetts. The Bank operates two offices in the town of Stoughton, the main office at 950 Park Street and a branch office at 20 Park Street. The main office is located within an upper-income census tract and the branch office is located in a middle-income tract. The Bank does not maintain any affiliate or subsidiary relationships. The Bank did not open or close any branches during the current review period.

As of March 31, 2012, the Bank's assets totaled \$92.5 million and total loans totaled \$57.2 million, or 61.3 percent of total assets. Since the prior FDIC evaluation, the Bank's asset size increased 9.2 percent and total loans decreased 4.0 percent. Residential lending represents the largest portion of the Bank's loan portfolio, with 89.1 percent of the portfolio secured by one-to-four family and multifamily residential real estate. Table 1 illustrates the current distribution of the Bank's loan portfolio, based on the FFIEC Call Report as of March 31, 2012.

<b>Table 1 Loan Portfolio</b>		
<b>Loan Type</b>	<b>Dollar Amount \$(000s)</b>	<b>Percent of Total Loans (%)</b>
Construction and Land Development	0	0.0
1-4 Family Residential	50,409	88.1
Multi-Family (5 or more) Residential	578	1.0
Commercial Real Estate	4,553	8.0
<b>Total Real Estate Loans</b>	<b>55,540</b>	<b>97.1</b>
Commercial and Industrial	62	0.1
Consumer	1,626	2.8
Other Loans	7	0.0
<b>Total Loans</b>	<b>57,235</b>	<b>100.0</b>

*Source: FFIEC Call Report March 31, 2012*

The FDIC last evaluated the Bank's CRA performance as of April 26, 2007, and assigned an overall rating of "Satisfactory." The Division also issued the Bank a CRA rating of "Satisfactory" at its prior evaluation as of December 12, 2005.

There are no apparent financial or legal impediments that would limit the Bank's ability to help meet the credit needs of its assessment area.

### **Description of the Assessment Area**

The CRA requires financial institutions to define an assessment area within which its CRA performance will be evaluated. The Bank's assessment area, as currently defined, meets the technical requirements of the CRA regulation since it: (1) consists of one or more political subdivisions, (2) includes the geographies where the Bank has its main office, branches, and deposit-taking ATMs, as well as the surrounding geographies in which the institution originated a substantial portion of its loans, (3) consists of whole census tracts, (4) does not extend substantially beyond state boundaries (unless permitted otherwise by the regulation), (5) does not reflect illegal discrimination, and (6) does not arbitrarily exclude low- and moderate-income areas.

The Bank has defined its assessment area as the town of Stoughton, Massachusetts. Stoughton contains six census tracts, of which four (66.7 percent) are considered middle-income and two (33.3 percent) are considered upper-income. The assessment area contains no low- or moderate-income tracts. Refer to Table 2 for pertinent demographic information concerning the assessment area.

<b>Table 2 Demographic Information</b>					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (census tracts)	6	0.0	0.0	66.7	33.3
Population by Geography	27,149	0.0	0.0	66.0	34.0
Owner-Occupied Housing by Geography	7,642	0.0	0.0	64.5	35.5
Family Distribution by Income Level	7,309	15.0	16.7	23.9	44.4
Distribution of Low and Moderate Income Families throughout AA Geographies	2,312	0.0	0.0	75.0	25.0
HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		\$87,600 5.8%	Median Housing Value Unemp Rate March 2012	\$171,028 6.5%	

*Source: 2000 US Census, 2011 HUD Adjusted Median Family Income (MFI), 2011-2012 Bureau of Labor Statistics*

The assessment area has a total population of 27,149 residing in 10,270 households. Of the 7,309 families in the assessment area, 5.9 percent are below the poverty level (included in the low-income percentage).

The assessment area consists of 10,488 total housing units, of which 7,642, or 72.9 percent, are owner-occupied; 2,612, or 24.9 percent, are rental units; and 234, or 2.2 percent, are vacant units. Of the 7,642 owner-occupied housing units, 64.5 percent are in middle-income census tracts, while 35.5 percent are in upper-income census tracts. The median housing value in 2000 for the assessment area was \$171,028. However, more recent housing data obtained from the Warren Group, a New England real estate information publisher, reflects slightly higher housing values in the area. The yearly average median sales price of homes in Stoughton has fluctuated throughout the evaluation period, ranging from a high of \$265,850 in 2008, to a low of \$224,250 in 2012. Home prices in the area are comparable to prices throughout the state of Massachusetts.

The unemployment rate statewide for Massachusetts is 6.5 percent, according to March 2012 statistics gathered from the Bureau of Labor Statistics. This represents a decrease as compared to the annual percentage of 2010 and 2011, where the unemployment rate in Massachusetts was 8.6 percent and 7.5 percent, respectively. As of March 2012, the unemployment rate of the Bank's assessment area was 6.0 percent, per the Executive Office of Massachusetts Labor and Workforce Development.

The Bank faces strong competition from other financial institutions that originated loans within the assessment area. These institutions range in size from small credit unions and mortgage companies with single office locations to the largest banks in New England. Among the more prominent large lenders competing with Stoughton Co-operative Bank are Bank of America, JPMorgan Chase Bank and Wells Fargo Bank. Among the smaller institutions competing with the Bank are Randolph Savings Bank, The Bank of Canton, and Sharon Credit Union.

## **Community Contact**

A community contact was conducted in conjunction with this CRA evaluation. The contact was conducted with a local housing authority. The contact noted that there is a lack of affordable rental housing units in the area, and that there are opportunities for local financial institutions to provide financing for the development of new units. Additionally, there is a need for more flexible lending programs for local homeowners. Overall, financial institutions could do more to adequately serve the community needs of the area.

## **PERFORMANCE CRITERIA**

### **1. LOAN TO DEPOSIT (LTD) ANALYSIS**

This performance criterion evaluates the proportion of the Bank's deposit base that is reinvested in the form of loans. A comparative analysis was conducted of the Bank's quarterly net LTD ratios for the 20 quarters since the prior FDIC CRA evaluation. The quarters reviewed include those ending June 30, 2007, through March 31, 2012. These ratios are based on total loans, net of unearned income and net of the allowance for loan and lease losses, as a percentage of total deposits.

The Bank's average quarterly net LTD ratio over the period reviewed was 92.7 percent. The net LTD ratio for this period has fluctuated from a high of 101.4 percent (December 2007) to a low of 80.6 percent (March 2012). The Bank began selling a good portion of its loans to the Federal Home Loan Bank in 2010, which accounts for the decrease in the ratio from 95.2 percent in March 2010, to 80.6 percent in March 2012.

The Bank's average net LTD ratio was compared to the average net LTD ratios of six similarly situated institutions. Each of these banks was chosen because of its relative proximity, lending focus, lending areas, and asset totals. Refer to Table 3 for the peer group LTD ratio comparison.

<b>Table 3</b>		
<b>Loan-to-Deposit Ratios</b>		
<b>Institution</b>	<b>Average LTD Ratio (%)</b>	<b>Assets as of March 31, 2012 \$('000s)</b>
<i>Stoughton Co-operative Bank</i>	92.7	92,489
Meetinghouse Bank	83.0	72,505
Canton Co-operative Bank	81.3	97,901
Abington Bank	80.8	104,428
Bank of Easton	73.3	112,372
Avon Co-operative Bank	64.7	68,839
Wrentham Co-operative Bank	59.5	110,154

*Source: Consolidated Report of Condition and Income Reports*

As shown in the above table, the average quarterly net LTD ratios of the other institutions ranged between 59.5 percent and 83.0 percent. The Bank outperformed all six similarly situated financial institutions. Given the Bank's size, financial condition, and the characteristics of similar institutions, the LTD ratio is more than reasonable.

### **2. COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE OF THE ASSESSMENT AREA(S)**

This performance criterion evaluates whether the Bank is meeting the credit needs within its assessment area. The analysis looks at residential lending during 2010 and 2011. Based on a review of the home mortgage data, the majority of the Bank's lending activity occurred within the institution's assessment area. Table 4 illustrates the Bank's record of extending residential mortgage loans inside and outside the assessment area, by number and dollar amount over the period reviewed.



<b>Table 4</b> <b>Distribution of Loans Inside and Outside of Assessment Area</b>										
Loan Type	Number Loans					Dollar Volume				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
2010										
Home Purchase	4	66.7	2	33.3	6	668	61.8	413	38.2	1,081
Refinance	11	64.7	6	35.3	17	2,422	62.1	1,480	37.9	3,902
Home Improvement	3	60.0	2	40.0	5	465	66.6	233	33.4	698
Total	18	64.3	10	35.7	28	3,555	62.6	2,126	37.4	5,681
2011										
Home Purchase	6	60.0	4	40.0	10	1,057	68.4	488	31.6	1,545
Refinance	19	73.1	7	26.9	26	3,391	68.7	1,544	31.3	4,935
Home Improvement	4	40.0	6	60.0	10	341	21.2	1,271	78.8	1,612
Total	29	63.0	17	37.0	46	4,789	59.2	3,303	40.8	8,092
<b>Total Home Loan</b>	<b>47</b>	<b>63.5</b>	<b>27</b>	<b>36.5</b>	<b>74</b>	<b>8,344</b>	<b>60.6</b>	<b>5,429</b>	<b>39.4</b>	<b>13,773</b>

SOURCE: HMDA LAR for 2010 and 2011

As shown in Table 4, the Bank originated 47 home loans totaling \$8.3 million within the assessment area during the time period under review. This represents 63.5 percent of the total number of home loans and 60.6 percent by dollar volume. In 2010, 64.3 percent of the home loans by number, and 62.6 percent by dollar volume, were made inside the assessment area. The Bank performed similarly in 2011, as 63.0 percent of home loans by number, and 59.2 percent by dollar volume, were originated within the assessment area. Market share reports for 2010 show that 145 lenders originated or purchased home mortgage loans inside the Bank's assessment area. Out of all 145 lenders, Stoughton Co-operative Bank ranked 18<sup>th</sup>.

The Bank's performance under this criterion is considered reasonable, as a majority of home loans were originated inside the assessment area.

### 3. DISTRIBUTION OF CREDIT AMONG BORROWERS OF DIFFERENT INCOME LEVELS

The distribution of loans predicated by borrower income was reviewed to determine the extent to which the Bank addressed the credit needs of its residents within its assessment area during the review period. The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (low-and moderate-income).

For the purposes of CRA, low-income is defined as income below 50 percent of the area median income in which the bank's assessment area is located. Moderate-income is defined as income between 50 and 79 percent of the median income level for the area. Middle-income is defined as income between 80 percent and 119 percent of the median income. Upper-income is defined as income equal to or greater than 120 percent of the median income.

The Bank's distribution of residential loans by borrower income level for 2010 was compared to HMDA aggregate data, as this is the most current year that aggregate data is available. Additionally, borrower's reported incomes were compared to demographic data. Refer to Table 5 for further information regarding the Bank's performance for this criterion:

<b>Table 5</b> <b>Distribution of Residential Loans by Borrower Income Level</b> <b>(Excludes loans with NA Income)</b>						
<b>Borrower Income Level</b>	<b>Percent of Families</b>	<b>2010 Aggregate Data</b>	<b>Bank Loans 2010</b>		<b>Bank Loans 2011</b>	
	<b>%</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	15.0	5.9	0	0.0	2	6.9
Moderate	16.6	25.3	3	17.6	12	41.3
Middle	24.0	32.3	8	47.1	9	31.0
Upper	44.4	36.5	6	35.3	6	20.7
Total	100.0	100.0	17	100.0	29	100.0

*Source: 2000 Census and 2010 Bank and Aggregate HMDA data.*

In 2010, the Bank originated no home mortgage loans to low-income borrowers, which falls below the aggregate market data of 5.9 percent. In 2011, the Bank increased its lending to low-income borrowers to 6.9 percent of total home loans. For both years, the Bank's performance was below the percentage of low-income families in the assessment area (15.0 percent). The lending performance is reasonable given the fact that 5.8 percent of households in the assessment area are below the poverty level, which impacts the Bank's ability to make loans to that population. The bank's performance context was also taken into consideration.

The Bank's performance for 2010 was low overall and was not consistent with the aggregate. There was noted improvement in 2011 showing performance consistent with both the aggregate and demographics.

Overall, based on the above information, the loan distribution by borrower income is reasonable.

#### **4. GEOGRAPHIC DISTRIBUTION**

The geographic distribution was reviewed to assess how well the Bank is addressing the credit needs throughout the assessment area. The geographic distribution of loans reflects reasonable dispersion of residential loans throughout the assessment area based on the area's demographics, aggregate lending, and the institution's size.

As the assessment area is comprised solely of middle- and upper-income census tracts, this performance category was not weighed heavily. In 2010, the Bank's lending to middle- and upper-income geographies was comparable to the aggregate lending performance and demographic indicators. In 2011, the percentage of loans made to middle-income tracts decreased to 44.8 percent, which was below assessment area demographic indicators (65.0 percent).

Overall, the Bank's performance under this factor is considered reasonable.

#### **5. RESPONSE TO CRA COMPLAINTS**

The Bank has not received any CRA-related complaints during the evaluation period. As a result, this performance criterion does not bear any weight on the rating.

## **APPENDIX A**

### ***Fair Lending Policies and Procedures***

Stoughton Co-operative Bank's fair lending performance was reviewed to determine how it conforms to the guidelines established by Regulatory Bulletin 2.3-101, the Division's Community Reinvestment and Fair Lending Policy. A review of the public comment file indicated that the Bank received no complaints pertaining to the institution's CRA performance since the previous examination. In addition, a review of the Bank's residential loan application files was conducted to check for fair lending issues. There was no disparate treatment evident in the file review.

Specific areas pertaining to prohibited activity, advertising practices, loan review, training, policy review, the Bank's loan application process, and regulations pertaining to the Equal Credit Opportunity Act, Fair Housing Act, and the Home Mortgage Disclosure Act are discussed in the Bank's loan policy.

#### **MINORITY APPLICATION FLOW**

The purpose of the minority application flow is to assess the number of HMDA-reportable applications the Bank received from minorities within their delineated assessment area. The data analyzed was obtained from the Bank's HMDA LAR for 2010 and 2011. In addition, the 2010 HMDA LAR aggregate data was analyzed in order to measure the Bank's performance relative to all other lenders within the assessment area. The Bank's minority application flow for this period was also compared with the racial and ethnic population of the assessment area. The comparison of this data assists in deriving reasonable expectations for the institution's minority application flow.

The Bank's minority application flow for this period was compared with the racial and ethnic composition of the assessment area, and the 2010 aggregate data for all other HMDA reporters within the assessment area. According to 2000 Census Data, the Bank's assessment area contained a total population of 27,149 individuals, 12.5 percent of which is representative of various racial and ethnic minorities. The breakout of the assessment area's minority population is as follows: 5.6 percent Black, 2.1 percent Asian, 1.5 percent Hispanic, 0.1 percent American Indian/ Alaska Native and 3.1 percent "other race".

In 2010, the Bank received a one application (3.1 percent) from minority application; the aggregate stood at 11.8 percent. One application was received in 2011, also, representing 2.1 percent of total applications. The Bank received no applications from individuals of Hispanic or Latino ethnicity. The Bank's performance does not meet the standards for satisfactory performance.

## **APPENDIX B**

### *General Definitions*

#### **GEOGRAPHY TERMS**

**Census Tract:** Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Metropolitan Area (MA):** One or more large population centers and adjacent communities that have a high degree of economic and social integration. Each MA must contain either a place with a minimum population of 50,000 of Census Bureau-defined urbanized area and a total MA population of at least 100,000 (75,000 in New England). An MA comprises one or more central counties and may include one or more outlying counties that have close economic and social relationships with the central county. In New England, MAs are composed of cities and towns rather than whole counties.

**Metropolitan Statistical Area (MSA):** One or more metropolitan areas that have economic and social ties.

**Primary Metropolitan Statistical Area (PMSA):** A large urbanized county or cluster of counties that demonstrate very strong internal economic and social links, in addition to close ties to other portions of the larger area. If an area qualifies as an MA and has more than one million persons, PMSAs may be defined within it.

**Consolidated Metropolitan Statistical Area (CMSA):** The larger area of which PMSAs are component parts.

**Non-Metropolitan Area:** All areas outside of metropolitan areas. The definition of non-metropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies; for example, there is generally both urban and rural territory within both metropolitan and non-metropolitan areas.

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in: places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin) but excluding the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

## **HOUSING TERMS**

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family which is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Housing Unit:** Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

## **INCOME TERMS**

**Median Income:** The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide non-metropolitan median family income, if a person or geography is located outside an MSA.

**Family Income:** Includes the income of all members of a family that are age 15 and older.

**Household Income:** Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households consist of only one person, median household income is usually less than median family income.

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

**Upper-Income:** Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent in the case of a geography.

**HUD Adjusted Income Data:** The U.S. Department of Housing and Urban Development (HUD) issues annual estimates which update median family income from the metropolitan and non-metropolitan areas. HUD starts with the most recent U.S. Census data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

## **OTHER TERMS**

**Home Mortgage Disclosure Loan Application Register (HMDA LAR):** The HMDA LARs record all applications received for residential purchase, refinance, home improvement and temporary-to-permanent construction loans.

**Small Business Loan:** A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

**Small Farm Loan:** A loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

## **PERFORMANCE EVALUATION DISCLOSURE GUIDE**

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks and the Federal Deposit Insurance Corporation, at 950 Park Street, Stoughton, MA 02072."

[Please Note: If the institution has more than one local community, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.